

## Message Text

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PAGE 01 LONDON 14300 070409Z

13

ACTION EB-06

INFO OCT-01 EUR-12 EA-10 IO-10 ISO-00 FEA-01 AEC-07 AID-05

CEA-01 CIAE-00 CIEP-02 COME-00 DODE-00 FPC-01 H-02

INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01

SAM-01 OES-04 SP-02 SS-15 STR-04 TRSE-00 FRB-01 PA-02

USIA-15 PRS-01 /127 W

----- 015851

R 011910Z NOV 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 5322

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION IAEA VIENNA

UNCLAS LONDON 14300

E.O. 11652: N/A

TAGS: ENRG, EEC

SUBJECT: SIMONET COMMENTS ON POSSIBLE NEW OIL EMBARGO,  
POTENTIAL CONFLICT BETWEEN IEP AND EC ENERGY POLICY AND  
CONSUMER-PRODUCER MEETING

1. FINANCIAL TIMES REPORTS THAT IN OCTOBER 31 SPEECH TO  
BRITISH INSTITUTE OF MANAGEMENT COMMISSION VICE PRESIDENT  
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PAGE 02 LONDON 14300 070409Z

SIMONET SAID AN EARLY RENEWAL OF MIDDLE EAST CONFLICT

COULD NOT BE EXCLUDED, AND WITH IT A NEW OIL EMBARGO. HE WARNED THAT INDUSTRIALIZED WORLD WAS NOT PREPARED TO DEAL WITH IT. FT ATTRIBUTED SIMONET'S PESSIMISM TO OUTCOME OF ARAB SUMMIT MEETING IN RABAT.

2. SIMONET STATED, ACCORDING TO FT, EVEN WITHOUT A NEW EMBARGO THREAT LACK OF A COMMON EUROPEAN ENERGY POLICY COULD ENDANGER COMMON MARKET SUMMIT IN DECEMBER. PROBLEM AROSE BECAUSE OF FRENCH REFUSAL TO PARTICIPATE IN IEP; DIVISION WITH EIGHT CREATING A POTENTIAL CONFLICT WITH ROME TREATY PROVISION FOR COMMON COMMERCIAL POLICY AND FREE CIRCULATION OF GOODS. SIMONET PURPORTEDLY SAID IF FRANCE CONTINUED TO REMAIN OUTSIDE, THERE WOULD BE A BREACH OF TREATY. IT WAS THEREFORE UP TO COMMISSION TO FIND A LEGAL WAY OUT OR ELSE THERE WOULD BE NO GREAT PROGRESS TOWARDS A COMMON ENERGY POLICY OR IN THE SUMMIT MEETING.

3. SIMONET REPORTEDLY SAID EIGHT WERE NOT GOING TO AGREE TO A COMMON ENERGY POLICY WHICH WOULD PREVENT THEM FROM COOPERATING WITH OTHER INDUSTRIALIZED COUNTRIES, BUT FRANCE WAS NOT GOING TO AGREE TO INTERNATIONAL APPROACH WITHOUT RAPID ASSURANCE THERE WOULD BE SOME FORM OF COMMON ENERGY POLICY.

4. SIMONET DECLARED THERE WAS NO POINT IN CONSUMER COUNTRIES TALKING TO OIL PRODUCERS UNTIL THEY HAD AGREED AMONG THEMSELVES ON QUANTITY OF OIL NEEDED. ENERGY CONSERVATION COULD HELP TO THIS END; IT COULD LEAD TO OIL SURPLUS SITUATION AGAIN. WHEN THIS HAPPENED, THERE WOULD NO LONGER BE A PRODUCERS' CARTEL.

SOHM

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, PETROLEUM, ENERGY, EMBARGOES  
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**Copy:** SINGLE  
**Draft Date:** 01 NOV 1974  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
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**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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**TAGS:** ENRG, EEC, IEP  
**To:** STATE  
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